

VZCZCXRO1573
OO RUEHCN RUEHGH RUEHVC
DE RUEHBJ #5387/01 2280303
ZNY CCCCC ZZH
O 160303Z AUG 07
FM AMEMBASSY BEIJING
TO RUEHC/SECSTATE WASHDC IMMEDIATE 0827
INFO RUEHOO/CHINA POSTS COLLECTIVE
RHEHNSC/NSC WASHDC
RUCNDT/USMISSION USUN NEW YORK 1814

C O N F I D E N T I A L SECTION 01 OF 04 BEIJING 005387

SIPDIS

SIPDIS

E.O. 12958: DECL: 08/16/2032

TAGS: PREL PGOV PHUM MARR ETRD CH IR SU TW
SUBJECT: EAP A/S HILL'S AUGUST 14 MEETING WITH AFM HE
YAFEI: IRAN, DARFUR, TAIWAN, BILATERAL ISSUES

Classified By: Deputy Chief of Mission Daniel Piccuta.
Reasons 1.4 (b/d).

Summary

¶11. (C) EAP Assistant Secretary Hill raised U.S. concerns on Iran and Darfur with Chinese Assistant Foreign Minister He Yafei on August 14. AFM He stated that although our approaches often differ, China wants to cooperate with the United States on both issues. AFM He conveyed China's concern over Taiwan President Chen Shui-bian's recent independence moves, including application for UN membership under the name Taiwan, as well as U.S. actions concerning the interpretation of UNGA Resolution 2758. Such actions, he said, "virtually call into question" the political basis of the bilateral U.S.-China relationship. There is pressure within China to table another resolution at the UN in order to "clarify" the issue, AFM He said. AFM He raised China's objections to politicizing the Olympics. A/S Hill and AFM He also discussed Secretary Paulson's recent visit to China, food safety, incidents regarding Chinese diplomatic pouches, the planned U.S. Consulate General in Wuhan and upcoming visits of Chinese officials to the United States. End Summary.

Iran

¶12. (C) Over lunch with Assistant Foreign Minister He Yafei on August 14, EAP Assistant Secretary Hill, accompanied by the DCM, raised concerns about Chinese inaction on Iran. A/S Hill told AFM He that President Bush ranked Iran as a leading United States foreign policy issue and expressed concern about China's lack of support for U.S. actions on Iran. Iranian actions actively contribute to the deaths of U.S. troops in Iraq, and the U.S. public is becoming acutely aware of this. While the United States and China have cooperated on Burma, North Korea and Sudan, China's position as one of Iran's largest trading partners is not consistent with efforts to curb Iran's destabilizing and dangerous activities. A/S Hill emphasized that the lack of coordination on Iran was emerging as an increasingly unpleasant bilateral issue.

¶13. (C) Expressing apparent surprise about U.S. perceptions of China's recalcitrance on Iran, AFM He stated that the United States and China "are not on opposite sides of the issue." China's policy is to strengthen cooperation with the United States on major international issues, and the case of Iran is no exception. China does have differences with the United States; China advocates a more patient approach, stressing negotiations, not sanctions, as the best way to move forward.

In that context, China is pleased to note that the United States is talking to Iran about Iraq-related issues. China hopes that additional time will allow discussions between the

IAEA and Iran to reach a positive outcome.

¶4. (C) In terms of trade, AFM stated that his government receives pressure from Chinese companies who claim that political considerations harm their business interests with Iran. China seeks to ensure that its legitimate economic interests are not being harmed. AFM He insisted that all Chinese trade is consistent with UN Security Council resolutions. He added that China continues some limited military trade with Iran and is careful to seek end-user certification. China does not want its weapons to "slip into" Iraq.

Darfur

¶5. (C) A/S Hill said that even though the situation in Darfur is complex, China must be careful not to be "on the wrong side of history" on Darfur. AFM He announced that Ambassador Liu Guijin, the Chinese Special Envoy on the Darfur Issue, will travel to the United States in September and meet with U.S. counterpart Ambassador Natsios, as well as with Hollywood activists such as Mia Farrow and possibly Steven Spielberg. Ambassador Liu hopes to better publicize positive measures the Chinese government is taking on Darfur. AFM He also pointed to Chinese success in convincing the Sudanese government to accept then-UN-Secretary General Kofi Annan's three-stage proposal to solve the crisis in Darfur. China is pleased that the African Union is providing the majority of the troops. A/S Hill told AFM He that the United States welcomed UNSC Resolution 1769, which created a UN-African Union hybrid force, and added that the United States had no interest in splitting Sudan.

BEIJING 00005387 002 OF 004

Taiwan: UN Referendum, 2758, Arms Sales

¶6. (C) Referring to Taiwan as the "number one issue" for China, AFM He expressed concern over Chen Shui-bian's attempts to hold a referendum on membership in the UN under the name "Taiwan," as well as Chen's other efforts to alter Taiwan's status internationally, including by applying for UN membership with help from countries like the Solomon Islands.

Taiwan's status was resolved by UNGA Resolution 2758, AFM He asserted, but "unfortunately" the U.S. Mission in New York told the UN Secretariat it had used the "wrong legal justification" in rejecting Taiwan's application for membership. China's Ambassador to the United States Zhou Wenzhong was "shocked" to receive this same answer during his August 6 meeting with Under Secretary Burns. If Resolution 2758 did not resolve the issue of Taiwan's status, then China would not be in the UN. Such actions by the U.S. Mission in New York "should be stopped," AFM He said.

¶7. (C) A/S Hill replied that the President has been very clear in stating our opposition to Chen Shui-bian's actions on the referendum. China appreciates the clear statements of the White House and State Department on the referendum, AFM He said, but the problem is "mixed messages" on other fronts, such as arms sales, referring to "rumors" that the United States has already agreed to sell "advanced, offensive" F-16 C/Ds to Taiwan. AFM He recalled the "consequences" and "damage" done to the bilateral relationship in 1992 when then-President George H.W. Bush decided to sell F-16 A/Bs to Taiwan. A/S Hill reminded AFM He that U.S. arms sales are made so as to allow Taiwan to maintain a credible defense as provided for in the Taiwan Relations Act and contribute to the maintenance of cross-Strait stability.

¶8. (C) Regarding UNGA Resolution 2758, the DCM said that our interaction with the UN Secretariat dealt only with the specific question of how the UN legal adviser's office had interpreted 2758, and did not address rejection of Taiwan's application for UN membership. Resolution 2758 dealt only

with the question of the China seat at the UN, and did not attempt to address or resolve other issues in relations across the Taiwan Strait. As Ambassador Zhou was told in Washington, the United States believes it to be in neither U.S. nor PRC interest to have a public debate over the long-standing differences between the United States' "one China" policy and Beijing's "one-China" principle. We do not want to raise our differences in public, and China should not push us to do so. AFM He countered by saying that taking exception to Resolution 2758's language "virtually calls into question the political basis of the bilateral relationship." This is a very serious matter. There is pressure within China to table another resolution in order to "clarify" the issue, AFM He said. China believes 2758 is already clear, as it had "kicked the Chiang Kai-shek clique out" of the UN. The only two countries raising the 2758 issue, AFM He added, are the United States and a very low-level official from Germany.

Strategic Trust and Taiwan

¶9. (C) Changing tack, AFM He argued that we should view the Taiwan issue from the larger framework of bilateral "strategic trust." As Executive Vice Foreign Minister Dai Bingguo told Deputy Secretary Negroponte at the Senior Dialogue in June, strategic trust is the basis of a long-term stable relationship. Without it, we are left only with suspicions. Strategic trust means taking care of the major strategic concerns of the other side. On all major issues, including Iran, China wants to cooperate with, and is not on the opposite side of, Washington. We may move at a different pace and have different perspectives, but "we are your partner," AFM He averred. Taiwan remains the fundamental issue for China. Beijing therefore urges Washington to take its sensitivities into account on this issue, lest strategic trust between us be undermined, which would make it difficult to maintain the current positive direction of bilateral relations.

¶10. (C) A/S Hill urged China to be calm and patient on Taiwan. Chinese impatience or an overreaction would only harm Beijing's own interests. AFM He said Beijing has been calm and patient; if not, China "would already have Taiwan back." Beijing has assured everyone, including the residents of Taiwan, of its peaceful intent. China is in a "militarily superior position" now, but whatever military advantage China has is for deterrence purposes. If China had wanted to use force, it could have done so before now. Although Beijing has noted the statements of the President and others opposing

BEIJING 00005387 003 OF 004

Chen's referendum and other actions, at the same time China is concerned by U.S. arms sales and transits of Taiwan officials, including the upcoming transit of Chen Shui-bian through Alaska. The United States has reopened the very sensitive issue of UNGA Resolution 2758, which China thought had been buried and resolved by history. Reopening such issues only serves Taiwan, AFM He said. Moreover, despite Chinese patience, Chen Shui-bian has taken a series of actions to further his political agenda and achieve Taiwan independence, despite repeated warnings from the United States. A/S Hill again emphasized the need for China to remain patient on Taiwan, and he also explained that Chen Shui-bian's upcoming transit of Alaska is entirely in keeping with our one China policy.

Wu Bangguo Visit

¶11. (C) AFM He confirmed that Chairman of the National People's Congress (NPC) Wu Bangguo will visit the United States starting October 30. Chairman Wu has received invitations from House Majority Leader Nancy Pelosi and Senator Robert Byrd. A meeting with the President has been confirmed, and Wu also hopes to meet with Vice President

Cheney. Chairman Wu's visit is significant because Wu ranks second in the Chinese hierarchy and is extremely influential.

His visit marks the first time in 18 years that an NPC Chairman has visited the United States. Following meetings in Washington, Wu hopes to travel to other parts of the United States.

Other visits

¶12. (C) AFM He highlighted a number of other visits of high-level Chinese officials to the United States, including State Councilor Tang Jiaxuan's October 22-23 participation in the George H.W. Bush U.S.-China Relations Conference at Texas A and M. Regarding FM Yang Jiechi's upcoming visit in connection with the UNGA, AFM He said the Chinese side would like to propose that FM Yang meet with Secretary Rice on September 27 in Washington. FM Yang also hopes to pay a courtesy call on the President, National Security Advisor and other officials. A/S Hill assured AFM He that FM Yang would be warmly received in Washington, but that we would need to line up schedules and ensure that there was adequate time for each meeting.

Olympics

¶13. (C) AFM He raised concerns about politicization of the Olympics, which he said was the intention of some members of Congress, NGOs and "certain film producers and actors." The Olympics is a "huge basket" into which various groups want to dump their pet issues. He said China appreciated the U.S. support for Beijing's efforts to organize the games.

Secretary Paulson's Visit

SIPDIS

¶14. (C) AFM He commented that Treasury Secretary Paulson held "productive" discussions with President Hu Jintao and Vice Premier Wu Yi during his recent visit to China. AFM He observed that both sides "understood each other well" and said Secretary Paulson clearly has the trust of President Bush. He observed that even though the fundamentals of bilateral trade are sound, both sides recognize that tension in Washington is building regarding the state of our trade and economic relations.

Food Safety

¶15. (C) In the context of promoting bilateral trade, AFM He stated that China is taking vigorous measures to ensure food safety. China has introduced a strict food inspection regime, as food safety is also an important domestic political issue. In addition, the United States and China are working on coordination between the two countries' respective quarantine systems, with teams from the two sides recently having reached an agreement in this regard.

Chinese Diplomatic Pouch

¶16. (C) AFM He expressed concern about delays and diplomatic seal breakages of Chinese diplomatic pouches. Over the past three years, the Chinese government has reported seven cases of broken seals on Chinese diplomatic pouches. Some on the

BEIJING 00005387 004 OF 004

Chinese side are suspicious that these incidents might be intentional. The DCM noted that an investigation into the openings was conducted and assured AFM He that the seal breakages were not intentional. The DCM also reminded AFM He of U.S. concerns regarding China's inappropriate restrictions on the size of U.S. diplomatic pouches entering China.

¶17. (C) The DCM reaffirmed the U.S. intention to open a Consulate General in Wuhan. The Embassy remains concerned, however, that the central government has yet to notify local Foreign Affairs Office officials of the approval to establish the Consulate General. AFM He stated that the Chinese government is unclear whether the plans for Wuhan as currently proposed conform to the 1995 bilateral agreement allowing for the opening of a "full-fledged" Consulate General in Wuhan, or whether U.S. plans constitute something "new." The DCM urged the MFA to resolve the issue promptly, as prior personnel and logistical arrangements are currently on hold. AFM He described China's desire to discuss opening additional Consulates General in the United States, including in Atlanta, Boston and Honolulu.

RANDT